

SMITHTOWN SPECIAL LIBRARY DISTRICT

**FINANCIAL REPORT
WITH
ADDITIONAL INFORMATION**

DECEMBER 31, 2023

SMITHTOWN SPECIAL LIBRARY DISTRICT

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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Smithtown Special Library District
148 Smithtown Blvd.
Nesconset, New York 11767

Opinions

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Smithtown Special Library District (the "Library") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Library's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Smithtown Special Library District, as of December 31, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Smithtown Special Library District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Smithtown Special Library District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

INDEPENDENT AUDITOR'S REPORT
(Continued)

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Smithtown Special Library District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Smithtown Special Library District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of proportionate share of the net pension liability, the schedule of library pension contributions and the schedule of changes in the Library's total OPEB liability and related ratios be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Certified Public Accountants
Stewart Manor, New York
May 10, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Using This Annual Report

This annual report consists of three parts- *management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include information that presents two different views of the Library:

- The first four columns of the financial statements include information on the Library funds under the modified accrual method. These *Fund Financial Statements* focus on current financial resources and provide a more detailed view about the accountability of the Library's sources and uses of funds.

The adjustment column of the financial statements represents adjustments necessary to convert the fund financial statements to the government-wide financial statements under the full-accrual method.

- The *government-wide financial statement* columns provide both long-term and short-term information about the Library's overall financial status. The statement of net position and the statement of activities provide information about the activities of the Library as a whole and present a longer-term view of the Library's finances. These statements tell how these services were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Condensed Financial Information:

The table below compares key financial information in a condensed format between the current year and the prior year:

	December 31, 2023	2022	Increase (Decrease)
Assets:			
Current assets	\$ 11,270,977	\$ 10,665,153	\$ 605,824
Net pension asset	0	1,898,927	(1,898,927)
Right to use assets	48,390	0	48,390
Capital assets	<u>19,043,328</u>	<u>19,879,459</u>	<u>(836,131)</u>
Total Assets	<u>30,362,695</u>	<u>32,443,539</u>	<u>(2,080,844)</u>
Deferred Outflows of Resources	<u>10,071,069</u>	<u>10,503,680</u>	<u>(432,611)</u>
Liabilities:			
Long-term debt	41,611,163	35,296,432	6,314,731
Other liabilities	<u>686,281</u>	<u>691,849</u>	<u>(5,568)</u>
Total Liabilities	<u>42,297,444</u>	<u>35,988,281</u>	<u>6,309,163</u>
Deferred Inflows of Resources	<u>8,604,014</u>	<u>17,355,761</u>	<u>(8,751,747)</u>
Net Position:			
Net investment in capital assets	12,203,328	11,869,459	333,869
Restricted	85,445	50,118	35,327
Unrestricted	<u>(22,756,467)</u>	<u>(22,316,400)</u>	<u>(440,067)</u>
Total Net Position	<u>\$ (10,467,694)</u>	<u>\$ (10,396,823)</u>	<u>\$ (70,871)</u>
Revenue:			
Tax revenues	\$ 15,816,499	\$ 15,485,969	\$ 330,530
Payments in lieu of taxes	267,840	258,938	8,902
Other revenue	<u>719,917</u>	<u>177,794</u>	<u>542,123</u>
Total Revenue	16,804,256	15,922,701	881,555
Expenses - Library Services	<u>16,875,127</u>	<u>14,819,433</u>	<u>2,055,694</u>
Change in net position	<u>(70,871)</u>	<u>1,103,268</u>	<u>(1,174,139)</u>
Net position - beginning of year	<u>(10,396,823)</u>	<u>(11,500,091)</u>	<u>1,103,268</u>
Net Position - End of Year	<u>\$ (10,467,694)</u>	<u>\$ (10,396,823)</u>	<u>\$ (70,871)</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

The Library As A Whole

- The Library's net position decreased by \$70,871 this year. The primary reason for this decrease is detailed within the Statement of Activities on pages twelve and thirteen.
- The Library's primary source of revenue is from property taxes, which represents 94.1 percent of total revenue. In the prior year, property taxes represented 97.3 percent of total revenue.
- As is typical of service agencies, salaries and benefits are a significant expense of the Library, representing 75.9 percent of the Library's total expenses (as per the Statement of Activities). This is an increase as compared to the previous year when salaries and benefits represented 73.1 percent of total expenses.

The Library Funds:

Our analyses of the Library's major funds are included in the first three columns of pages 10 through 13 on the respective statements. The fund columns provide detailed information about the most significant funds – not the Library as a whole. The Library Board has the ability to create separate funds to help manage money for specific purposes and to maintain accountability for certain activities. The Library's major funds consist of the General Fund, the Special Revenue Fund, and the Debt Service Fund.

The fund balance of the General Fund increased during the year from \$8,945,047 to \$9,192,473. This is primarily the result of the budgetary highlights described below.

The fund balance of the Special Revenue Fund increased during the year from \$424,901 to \$1,099,256.

The fund balance of the Debt Service Fund increased during the year from \$45,018 to \$80,329.

Budgetary Highlights:

The following are explanations for the significant variations between the Library's final budget and the actual results of the General Fund:

- The Library received more interest income than expected due to significantly higher interest rates and the Library's decision to invest in Treasury Bills.
- The favorable budget variance for gifts and donations was \$20,295. The Library attributes this to the generosity of the Friends of the Library and the community at large.

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Continued)

Budgetary Highlights: (Continued)

- In total, salaries and employee benefits were underspent by \$585,961 or 7.3%. This budget section is difficult to budget for due to changing payrates, the payout of accrued time and staff transitioning in and out of employment with the Library. Typically, when a staff member separates from service there is a lapse of time before a replacement can be hired.
- The State retirement budget line was underspent by \$110,094. This was the result of projecting an amount based on information provided by the New York State Retirement System approximately a year in advance of the billing. The actual amount billed was less than the original projection.
- The budget line for hospital and medical insurance was underspent by \$542,734. At the time of budget preparation, the 2023 insurance premiums were not available. Fortunately, the actual premiums were less than projected.
- The unemployment budget line was underspent by \$5,000. Since the Library is self-insured for unemployment, it felt it was prudent to budget for the possibility that claims would be submitted. Fortunately, the Library did not receive any claims that required reimbursement.
- In total, the Library materials and programs budget section was underspent by \$160,428. The Library attributes this to a decrease in demand for physical materials such as book and periodicals in a print format. The overall trend for online materials and services has been on a multi-year uptrend and the Library budgeted for this line based upon the activity during the pandemic. Fortunately, during the current fiscal year, the rate of increase was less than anticipated and this line was underspent.
- The budget line for telecommunications was underspent by \$23,438. This was primarily due to receiving a large e-rate reimbursement. The Library generally budgets conservatively for these reimbursements because the amount received is not guaranteed from year to year.
- The budget lines for building and equipment repairs, as well as for building equipment and computer equipment, were all underspent. When you take into account the size and number of buildings, it is difficult to predict which mechanicals will fail and need to be repaired or replaced. Fortunately, fewer repairs and replacements were required than had been budgeted for.
- The unfavorable variance in the budget line for right to use assets, and the favorable variance in the budget line for lease proceeds (other financing sources), are directly related. Due to the issuance of Governmental Accounting Standard No. 87, once the Library signed a lease for its copier, it is required to reflect the present value of future minimum payments as a right to use asset. The funding provided by the leasing company is considered an other financing source.

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)

Budgetary Highlights: (Continued)

- The debt service budget section appears to be overspent. Due to the issuance of Governmental Accounting Standard No. 87, the Library was required reclassify its obligation for office equipment leases to long-term debt. As a result, the lease payments were required to be classified as principal and interest payments within the debt service budget section.

Capital Assets:

During the fiscal year ending December 31, 2023 the Library purchased \$150,139 of fixed assets and \$59,569 of right to use assets (capital outlay). The the Library made numerous improvements to the building and purchased a variety of furniture, fixtures, and equipment.

During the year the year, in order to have a more accurate list, the Library received an independent appraisal of its fixed assets. As a result of the appraisal, the Library decreased the historical cost of its fixtures by \$348,430. Since these fixtures were deemed to be fully depreciated, there was no change to the Library's net asset value. In addition, the Library received a separate independent appraisal of the value of its Long Island Room Collection. The appraisal valued this collection at \$1,258,720. The Library has adjusted its opening balance for capital assets to reflect this value.

Debt Administration:

Long term debt consisted of bonds payable, its net pension liabilities, its copier lease payable, the obligation for other post-employment benefits, the NYS retirement incentive payable and the liability the Library has to its employees for unused sick and vacation time (compensated absences). The Library began the year with total long-term debt of \$35,296,432. This debt increased during the year by the net of 6,314,731. The largest component of this increase was related to the net pension liabilities. The total long-term debt at December 31, 2023 was \$41,611,163. Of this total, \$1,292,150 is due to be paid within the next twelve months.

Currently Known Conditions:

The Library budget vote for the 2024 fiscal year was approved by the taxpayers. The anticipated tax revenues will be \$16,174,934. This represents a 2.27% increase over the 2023 fiscal year budget.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
AS OF DECEMBER 31, 2023**

	General Fund	Special Revenue Fund	Debt Service Fund	Total	Adjustments (Note 16)	Statement of Net Position
Assets:						
Cash and cash equivalents	\$ 9,481,786	\$ 1,094,256	\$	\$ 10,576,042	\$	\$ 10,576,042
State Aid, grants and other receivables	7,022	5,000		12,022		12,022
Internal receivables			41,819	41,819	(41,819)	
Prepaid expenses	462,798			462,798		462,798
Accrued interest income	10,605			10,605		10,605
Cash - held by fiscal agent			209,510	209,510		209,510
Right to use assets, net of accumulated amortization					48,390	48,390
Capital assets, net of accumulated depreciation					19,043,328	19,043,328
Total Assets	<u>9,962,211</u>	<u>1,099,256</u>	<u>251,329</u>	<u>11,312,796</u>	<u>19,049,899</u>	<u>30,362,695</u>
Deferred Outflows of Resources (note 11)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,071,069</u>	<u>10,071,069</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 9,962,211</u>	<u>\$ 1,099,256</u>	<u>\$ 251,329</u>	<u>\$ 11,312,796</u>	<u>\$ 29,120,968</u>	<u>\$ 40,433,764</u>
Liabilities:						
Accounts payable	\$ 210,228	\$	\$	\$ 210,228	\$	\$ 210,228
Accrued payroll and related items	301,791			301,791		301,791
Accrued interest payable			171,000	171,000		171,000
Internal payables	41,819			41,819	(41,819)	
Other liabilities	3,262			3,262		3,262
Non-current liabilities:						
Compensated absences payable (note 6)					1,726,739	1,726,739
Lease payable (note 8)					48,390	48,390
NYS retirement incentive payable (note 9)					50,729	50,729
Net pension liabilities (note 9)					5,098,951	5,098,951
Obligation for other post-employment benefits (note 10)					27,846,354	27,846,354
Bonds payable (note 12)					6,840,000	6,840,000
Total Liabilities	<u>\$ 557,100</u>	<u>\$ 0</u>	<u>\$ 171,000</u>	<u>\$ 728,100</u>	<u>\$ 41,569,344</u>	<u>\$ 42,297,444</u>

The accompanying notes are an integral part of the financial statements.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
AS OF DECEMBER 31, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>Adjustments (Note 16)</u>	<u>Statement of Net Position</u>
Deferred Inflows of Resources (note 11)	\$ 212,638	\$ 0	\$ 0	\$ 212,638	\$ 8,391,376	\$ 8,604,014
Fund Balances/Net Position:						
Nonspendable	462,798			462,798	(462,798)	
Restricted for specific purposes (note 14)		5,116	80,329	85,445	(85,445)	
Committed for specific purposes (note 13)	1,072,172	792,341		1,864,513	(1,864,513)	
Assigned for the 2024 budget	464,824			464,824	(464,824)	
Assigned for programs and projects		301,799		301,799	(301,799)	
Unassigned	<u>7,192,679</u>			<u>7,192,679</u>	<u>(7,192,679)</u>	
Total Fund Balance	<u>9,192,473</u>	<u>1,099,256</u>	<u>80,329</u>	<u>10,372,058</u>	<u>(10,372,058)</u>	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 9,962,211</u>	<u>\$ 1,099,256</u>	<u>\$ 251,329</u>	<u>\$ 11,312,796</u>		
Net Position:						
Net investment in capital assets					12,203,328	12,203,328
Restricted for specific purposes					85,445	85,445
Unrestricted					<u>(22,756,467)</u>	<u>(22,756,467)</u>
Total Net Position					<u>\$ (10,467,694)</u>	<u>\$ (10,467,694)</u>

The accompanying notes are an integral part of the financial statements.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	General Fund	Special Revenue Fund	Debt Service Fund	Total	Adjustments (Note 16)	Statement of Activities
Revenues:						
District taxes	\$ 15,816,499	\$	\$	\$ 15,816,499	\$	\$ 15,816,499
Payments in lieu of taxes	267,840			267,840		267,840
State aid and grants	33,675	50,000		83,675		83,675
Charges for services	70,591			70,591		70,591
Investment income	464,457	120	35,311	499,888		499,888
Gifts and donations	22,294	24,768		47,062		47,062
Programs and other miscellaneous income	39,580	19		39,599		39,599
Total Revenues	<u>16,714,936</u>	<u>74,907</u>	<u>35,311</u>	<u>16,825,154</u>	<u>0</u>	<u>16,825,154</u>
Expenditures/Expenses For Library Services:						
Salaries and wages	7,469,039			7,469,039	(50,392)	7,418,647
Employee benefits	3,871,388			3,871,388	1,510,667	5,382,055
Library materials and programs	1,127,672	13,393		1,141,065		1,141,065
Library operations	1,127,639			1,127,639		1,127,639
Building operations	554,488			554,488		554,488
Capital outlay	159,559	50,149		209,708	(209,708)	
Depreciation					986,270	986,270
Amortization					11,179	11,179
Debt service:						
Principal	11,179		1,170,000	1,181,179	(1,181,179)	
Interest	1,875		371,250	373,125	(98,443)	274,682
Total Expenditures/Expenses	<u>\$ 14,322,839</u>	<u>\$ 63,542</u>	<u>\$ 1,541,250</u>	<u>\$ 15,927,631</u>	<u>\$ 968,394</u>	<u>\$ 16,896,025</u>

The accompanying notes are an integral part of the financial statements.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL
FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>Adjustments (Note 16)</u>	<u>Statement of Activities</u>
Excess (Deficiency) Of Revenues Over Expenditures	\$ 2,392,097	\$ 11,365	\$ (1,505,939)	\$ 897,523	\$ (968,394)	
Other Financing Sources (Uses):						
Lease proceeds	59,569	0	0	59,569		
Transfers- internal activities	<u>(2,204,240)</u>	<u>662,990</u>	<u>1,541,250</u>	<u>0</u>		
Total Other Financing Sources (Uses)	<u>(2,144,671)</u>	<u>662,990</u>	<u>1,541,250</u>	<u>59,569</u>	<u>(59,569)</u>	
Excess (Deficiency) Of Revenues And Other Financing Sources Over Expenditures	247,426	674,355	35,311	957,092	<u>(957,092)</u>	
Change In Net Position					<u>(70,871)</u>	<u>(70,871)</u>
Fund balance/net position- beginning of the year	<u>8,945,047</u>	<u>424,901</u>	<u>45,018</u>	<u>9,414,966</u>	<u>(19,811,789)</u>	<u>(10,396,823)</u>
Fund Balance/Net Position- End Of The Year	<u>\$ 9,192,473</u>	<u>\$ 1,099,256</u>	<u>\$ 80,329</u>	<u>\$ 10,372,058</u>	<u>\$ (20,839,752)</u>	<u>\$ (10,467,694)</u>

The accompanying notes are an integral part of the financial statements.

SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: Summary of Significant Accounting Policies

The accounting policies of Smithtown Special Library District conform to accounting principles generally accepted in the United States of America as applicable to governmental units. Accordingly, in June 1999, the GASB issued Statement No. 34, *Basic Financial Statements – and Managements Discussion and Analysis – for State and Local Governments*. Some of the significant changes in the statement include the following:

- A Management’s Discussion and Analysis section providing an analysis of the Library’s overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the Library’s activities.
- A change in the fund financial statements to focus on the major funds.

The following is a summary of the significant accounting policies:

- A. Reporting Entity:** The Smithtown Special Library District is comprised of one main library building located in Smithtown and three local branches located in Commack, Kings Park and Nesconset. The Library coordinates the raising of its real estate tax revenues with the Town of Smithtown. The Library Board of Trustees is responsible for the approval of the proposed annual budget and oversight of the Library management’s control and disbursement of funds and maintenance of assets. The Library’s management is solely responsible for day-to-day operations.
- B. Management Focus, Basis of Accounting and Financial Statement Presentation:** The Library’s basic financial statements include both government-wide (reporting the Library as a whole) and fund financial statements (reporting the Library’s major funds).

Government-Wide Financial Statements: The Government-wide financial statements (i.e., the statement of net position and the statement of activities) are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The effect of interfund governmental activity has been eliminated from the government-wide financial statements.

The Statement of net position includes and recognizes all long-term assets and receivables as well as long-term debt and obligations. The Library’s net position is reported in three parts: net investment in capital assets; restricted net position; and unrestricted net position.

SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Management Focus, Basis of Accounting and Financial Statement Presentation: (Continued)

Fund Financial Statements: Governmental fund financial statements are reported using the modified accrual basis of accounting prescribed by the Governmental Accounting Standards Board and the State of New York's Department of Audit and Control, Division of Municipal Affairs. Under this method, revenues are recognized in the period in which they become both measurable and available. The Library considers all revenues reported in the governmental funds to be available if the revenues are collected within a reasonable period of time after fiscal year end, except for real property taxes, which are considered to be available if they are collected within sixty days after the end of the fiscal year. Fees and other income items other than interest income are recorded when received in cash. Expenditures are recognized in the period in which the liability is incurred. However, debt service expenditures are recorded only when a payment is due. The Library reports on the following funds:

General Fund: This fund is established to account for resources devoted to the general services that the Library performs for its taxpayers. General tax revenues and other sources of revenues used to finance the fundamental operation of the Library are included in this fund.

Special Revenue Fund: This fund is used to account for designated improvement projects, grants, gifts and donations in which principal and income benefit the Library. Criteria established by the Board and the donors govern the use of the funds.

Debt Service Fund: This fund is used to account for the accumulation of resources and the payment of principal and interest on long-term general obligation debt.

C. Interfund Transactions: The operations of the Library include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The Library typically loans resources between funds for cash flow purposes. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include transfers to provide financing or other services. This includes the transfer of unrestricted General Fund revenues to finance various programs that the Library must account for in other funds in accordance with budgetary authorizations.

SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1: **Summary of Significant Accounting Policies (Continued)**

- D. Receivables:** Receivables are shown net of allowance for uncollectibles, if any. However, no allowance for uncollectibles has been provided since it is believed that such an allowance would not be material.
- E. Fund Balance Classifications:** The Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* that defines the different types of fund balances that a governmental entity must use for financial reporting purposes. They are as follows:
- Nonspendable:** This includes amounts that cannot be spent because they are either not in spendable form (i.e., inventories, prepaid expenses, etc.) or they are legally or contractually required to be maintained intact.
- Restricted:** This includes amounts with constraints placed on the use of resources. These constraints can be externally imposed by creditors, grantors, contributors, or imposed by laws and regulations.
- Committed:** This includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the Library's Board. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- Assigned:** This includes amounts that are constrained by the Library's intent to be used for specific purposes but are neither restricted nor committed. The Library Board is not required to impose or remove the constraint. Assignments of fund balance cannot be made if it would result in a negative unassigned fund balance.
- Unassigned:** This includes the residual classification for the Library's general fund. This classification represents fund balance that has not been assigned to other funds, assigned for specific purposes, restricted, or committed.
- F. Use of Restricted/Unrestricted Net Position:** When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Library's policy is to apply restricted net position first.
- G. Cash and Cash Equivalents:** The Library has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of three months or less.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 1: Summary of Significant Accounting Policies (Continued)

H. Capital Assets: Capital assets are defined by the Library as assets with an initial cost of \$1,000 or more and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost. Donated assets are reported at estimated fair market value at the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Library books and materials are not capitalized. All capital assets, except land and the art collection, are depreciated on the straight-line basis over the following estimated useful lives:

Buildings and improvements	20 to 40 years
Land improvements	15 to 20 years
Furniture and equipment	5 to 15 years

I. Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the period. Actual results could differ from those estimates.

J. Investments: The Library's investment policies are governed by State statutes and its own written investment policy. Permissible investments for the Library include special time deposit accounts, certificates of deposit and obligations of the United States of America and New York State.

NOTE 2: Concentration of Credit Risk

The Library maintains its cash balances at one bank. At year end, the Library's carrying amount of deposits (excluding the cash held by the fiscal agent, treasury bills of \$5,096,884 and petty cash) was \$5,477,986 and the bank balance was \$5,522,064. Of the bank balance, \$500,000 was covered by federal depository insurance, and the remaining balance of \$5,022,064 was covered by collateral held by the Library's agent.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 3: Capital Assets

A summary of changes in general fixed assets is as follows:

	Balance as of 1/1/2023	Additions	Adjustments & Deletions	Balance as of 12/31/2023
Assets not being depreciated:				
Land	\$ 1,408,073	\$ 0	\$ 0	\$ 1,408,073
Art Collection	181,000	0	0	181,000
Long Island Room Collection	1,258,720	0	0	1,258,720
Construction in progress	42,810	33,360	0	76,170
Other capital assets:				
Buildings and improvements	25,570,063	0	0	25,570,063
Land improvements	1,185,535	19,625	0	1,205,160
Fixtures	962,362	26,377	(348,430)	640,309
Furniture and equipment	1,092,952	70,777	0	1,163,729
Total	31,701,515	150,139	(348,430)	31,503,224
Accumulated depreciation	(11,822,056)	(986,270)	348,430	(12,459,896)
Net Book Value	\$ 19,879,459	\$ (836,131)	\$ 0	\$ 19,043,328

NOTE 4: Right to Use Leased Assets

The Library has recorded one right to use leased asset for copier equipment. This right to use asset is amortized over the term of its related lease and at the same rate as the lease payment schedule. The following is a summary of the right to use asset activity for the year ended December 31, 2023:

	Balance as of 1/1/2023	Increases	Decreases	Balance as of 12/31/2023
Right to use assets:				
Leased office equipment	\$ 0	\$ 59,569	\$ 0	\$ 59,569
Less accumulated amortization for:				
Leased office equipment	0	(11,179)	0	(11,179)
Right to use assets, net	\$ 0	\$ 48,390	\$ 0	\$ 48,390

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 5: Long Term Debt

The following is a summary of changes in long-term debt for the period ended December 31, 2023:

	Balance			Non-current liabilities		
	1/1/2023	Increases	Reductions	Balance 12/31/2023	Due within one year	Due after one year
Compensated absences	\$ 1,780,987	\$ 0	\$ 54,248	\$ 1,726,739	\$ 0	\$ 1,726,739
Other post-employment benefits payable	25,374,830	2,471,524	0	27,846,354	0	27,846,354
Lease payable	0	59,569	11,179	48,390	11,421	36,969
Net pension liability	0	5,098,951	0	5,098,951	0	5,098,951
NYS retirement incentive payable	130,615	0	79,886	50,729	50,729	0
General obligation bonds	8,010,000	0	1,170,000	6,840,000	1,230,000	5,610,000
	<u>\$ 35,296,432</u>	<u>\$ 7,630,044</u>	<u>\$ 1,315,313</u>	<u>\$ 41,611,163</u>	<u>\$ 1,292,150</u>	<u>\$ 40,319,013</u>

NOTE 6: Compensated Absences Payable

The Library has an accumulated liability as of December 31, 2023 for unused vacation and sick pay amounting to \$1,726,739. This is a decrease of \$54,248 from the December 31, 2022 balance of \$1,780,987. There is no liability expected to be paid within the next twelve months.

NOTE 7: Interfund Transactions

Interfund balances and activities at December 31, 2023 are as follows:

	Interfund Activity			
	Receivable	Payable	Transfer In	Transfer Out
General Fund	\$ 0	\$ 41,819	\$ 0	\$ 2,204,240
Special Revenue Fund	0	0	662,990	0
Debt Service Fund	41,819	0	1,541,250	0
Total	<u>\$ 41,819</u>	<u>\$ 41,819</u>	<u>\$ 2,204,240</u>	<u>\$ 2,204,240</u>

The Library typically transfers monies from the General Fund to the Special Revenue Fund and the Debt Service Fund so that it has the amount required to pay its current year expenditures and the installments on its bonds payable.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 8: Lease Liability

The Library entered into copier equipment lease agreement. The agreement qualifies as other than a short-term lease under GASB No. 87 and, therefore, has been recorded at the present value of the future minimum payments as of the date of inception.

The agreement was executed on January 20, 2023 and requires 60 monthly payments of \$1,088. The lease liability is measured at a discount rate of 3.78%, which is the Applicable Federal Rate. As a result of the lease, the Library has recorded a right to use asset with a net book value of \$48,390 at December 31, 2023.

The future minimum lease obligations and the present value of these minimum lease payments as of December 31, 2023 are as follows:

<u>Year Ended December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2024	\$ 11,421	\$ 1,633	\$ 13,054
2025	11,861	1,193	13,054
2026	12,317	737	13,054
2027	12,791	263	13,054
Total	<u>\$ 48,390</u>	<u>\$ 3,826</u>	<u>\$ 52,216</u>

NOTE 9: Retirement Plan

- A. Plan Description and Benefits Provided:** The Smithtown Special Library District participates in the New York State and Local Employees' Retirement System (the System). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four-year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Smithtown Special Library District also participates in the Public Employees' Group Term Life Insurance plan (GTLI), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. Separately issued financial statements for the System can be accessed on the Comptroller's website.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9: Retirement Plan (Continued)

- B. Benefits Provided:** The System provides retirement benefits as well as death and disability benefits.

Tiers 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service.

Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months. Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tiers 3, 4, and 5

Eligibility: Tier 3, 4 and 5 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4 and 5 is 62.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9: Retirement Plan (Continued)

B. Benefits Provided: (Continued)

Tiers 3, 4, and 5 (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with 5 or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 3, 4 and 5 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tier 6 is 63.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with five or more years of service can retire as early as age 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years of employment. For Tier 6 members, each year's compensation used in the final average salary calculation is limited to no more than 10 percent greater than the average of the previous four years.

Disability Retirement Benefits

Disability retirement benefits are available to System members unable to perform their job duties because of permanent physical or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets of other benefits depend on a member's tier, years of service, and plan.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9: Retirement Plan (Continued)

B. Benefits Provided: (Continued)

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all retirees who have attained age 62 and have been retired for five years; (ii) all retirees who have attained age 55 and have been retired for 10 years; (iii) all disability retirees, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement.

An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed \$18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

- C. Contributions:** The System is noncontributory except for employees who joined the System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3 percent of their salary for their entire length of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required. The required contribution for the current fiscal year was \$919,862, for the 2022 fiscal year it was \$965,486 and for the 2021 fiscal year it was \$1,034,654.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9: Retirement Plan (Continued)

C. Contributions: (Continued)

Chapter 57 of the laws of 2010 of the State of New York allows local employers to amortize a portion of their retirement bill for 10 years in accordance with the following stipulations:

- For State fiscal year 2010-11, the amount in excess of the graded rate of 9.5% of employees' covered pensionable salaries, with the first payment of those pension costs not due until the fiscal year succeeding that fiscal year in which the amortization was instituted.
- For subsequent State fiscal years, the graded rate will increase or decrease by up to one percent depending on the gap between the increase or decrease in the System's average rate and the previous graded rate.
- For subsequent State fiscal years in which the System's average rates are lower than the graded rates, the employer will be required to pay the graded rate. Any additional contributions made will first be used to pay off existing amortizations, and any excess will be deposited into a reserve account and will be used to offset future increases in contribution rates.

Once a public employer elects to participate in the System, the election is irrevocable. This law requires participating employers to make payments on a current basis, while amortizing existing unpaid amounts relating to the System's fiscal years when the local employer opts to participate in the program.

During the year ended December 31, 2013, the Library opted to participate in this program. In the current year \$30,742 was charged to expenditures in the governmental funds. The liability was paid in full as of December 31, 2023.

During the year ended December 31, 2014, the Library also opted to participate in this program. In the current year \$49,144 was charged to expenditures in the governmental funds. The unpaid liability at December 31, 2023 is \$50,729, plus interest at 3.15% and is reported as a non-current liability in the government wide statements.

- D. Pension Liabilities, Pension Expenses, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions:** At December 31, 2023, the Smithtown Special Library District reported a liability of \$5,098,951 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2023, and the total pension liability was determined by an actuarial valuation as of that date. The Smithtown Special Library District's proportion of the net pension liability was based on a projection of the Smithtown Special Library District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9: Retirement Plan (Continued)

D. Pension Liabilities, Pension Expenses, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions: (Continued)

At December 31, 2023, the Smithtown Special Library District's proportion was 0.023778 percent, which was an increase of .0005484 percent from its proportion measured at December 31, 2022.

For the year ended December 31, 2023, the Smithtown Special Library District recognized pension expense of \$1,769,033.

At December 31, 2023, the Smithtown Special Library District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 543,078	\$ 143,198
Changes in assumptions	2,476,380	27,369
Net difference between projected and actual investment earnings on pension plan investments	0	29,956
Changes in proportion and differences between employer contributions and proportionate share of contributions	116,910	129,691
Library's contributions subsequent to the measurement date	689,897	0
Total	\$ 3,826,265	\$ 330,214

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9: Retirement Plan (Continued)

D. Pension Liabilities, Pension Expenses, Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions: (Continued)

\$689,897 reported as deferred outflows of resources related to pensions resulting from Smithtown Special Library District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount Recognized</u>
2024	\$ 661,609
2025	(272,926)
2026	1,039,226
2027	1,378,245
2028	<u>0</u>
Total	<u>\$ 2,806,154</u>

E. Actuarial Assumptions:

The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023. The actuarial valuation used the following actuarial assumptions:

Inflation	2.90%
Salary increases	4.40%
Investment rate of return (net of investment expense, including inflation)	5.90%
Cost of living adjustments	1.50%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2021. The previous actuarial valuation as of April 1, 2020 used the same assumptions to measure the total pension liability.

The actuarial assumptions used in the April 1, 2022 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9: Retirement Plan (Continued)

E. Actuarial Assumptions: (Continued)

The long term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	32.00%	4.30%
International equity	15.00%	6.85%
Private equity	10.00%	7.50%
Real estate	9.00%	4.60%
Opportunistic portfolio	3.00%	5.38%
Credit	4.00%	5.43%
Real assets	3.00%	5.84%
Fixed income	23.00%	1.50%
Cash	1.00%	0.00%
Total	<u>100.00%</u>	

The real rate of return is net of the long-term inflation assumption of 2.5%

Discount Rate – The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 9: Retirement Plan (Continued)

E. Actuarial Assumptions: (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption – The following presents the current-period net pension liability (asset) of the Library, calculated using the current-period discount rate assumption of 5.9 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (4.9 percent) or 1 percentage- point higher (6.9 percent) than the current assumption:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Library's proportionate share of the net pension liability (asset)	\$ 12,321,979	\$ 5,098,951	\$ (936,728)

Pension plan fiduciary net position – The components of the current year net pension liability of the New York State and Local Retirement System as of March 31, 2023, in thousands of dollars was as follows:

	Total
Employers' total pension liability	\$ 232,627,259
Plan net position	(211,183,223)
Employers' net pension asset	\$ 21,444,036
Ratio of plan net position to the Employers' total pension liability	90.78%

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10: Post-employment Benefits Other Than Pensions

- A. Plan Description:** The New York State Department of Civil Service (DCS) administers the New York Health Insurance Program (NYSHIP) which provides health insurance to current and retired employees of New York State, and participating public authorities and local governmental units, such as the Smithtown Special Library District. NYSHIP offers comprehensive hospital, medical and prescription drug benefits. As administrator of NYSHIP, the DCS performs all administrative tasks and has the authority to establish and amend the benefit provisions offered. Annual benefit premiums charged to and paid by participating local governmental entities are generally the same, regardless of each individual employer’s risk profile. The annual benefit premiums collected by DCS are then remitted to the health insurance carriers that comprise NYSHIP. NYSHIP is considered an agent multiple-employer defined benefit plan, it is not a separate entity or trust, and does not issue stand-alone financial statements. In 2017, The Library entered into an agreement with Hartford Insurance Company as an additional provider of retiree health insurance. The Library, as a participant in both plans, recognizes these postemployment benefits on an accrual basis.
- B. Benefits Provided:** Contribution requirements are determined by the Library Board. Currently, providing that the employee has completed at least 11 years of service as of December 31, 2017, the Library will pay 100% of the cost for the retiree and 100% for the spouse, less \$100 per month. For active employees that have completed less than 11 years of service as of December 31, 2017, the retiree will contribute towards their healthcare premiums at the same rate at the time of their active employment immediately prior to retirement, according to the following schedule:

<u>Year of Retirement</u>	<u>Retiree Contribution</u>
2018	18.00%
2019	18.50%
2020	19.00%
2021	19.50%
2022+	20.00%

For 2023, The Library recognized the cost of providing retiree health insurance by recording its share of insurance premiums of \$663,967 as an expenditure in the General Fund. Smithtown Special Library District also reimbursed retired employees and their spouses the full cost of Medicare deducted from their Social Security benefits, which amounted to \$188,451. The retiree’s share of premiums for health insurance was \$53,110.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10: Post-employment Benefits Other Than Pensions (Continued)

B. Benefits Provided: (Continued)

As of January 1, 2022, the following employees were covered by the benefit terms:

Active employees	73
Inactive employees entitled to but not yet receiving benefit payments	0
Inactive employees or beneficiaries currently receiving benefit payments	<u>82</u>
Total	<u><u>155</u></u>

C. Total Other Post-employment Benefit (OPEB) Liability: The Library's total OPEB liability of \$27,846,354 was updated through December 31, 2023, and was determined by an actuarial valuation as of January 1, 2022.

D. Actuarial Assumptions and Other Inputs:

Inflation Rate	2.00%
Payroll Growth Rate	2.50%
Discount Rate	3.26%
2022 Medical Trend Rates (Pre-65/Post-65)	7.00% / 5.00%
2023 Medical Trend Rates (Pre-65/Post-65)	6.50% / 5.00%
Ultimate Medical Trend Rate	5.00%
Year Ultimate Trend Year Reached (Pre-65/Post-65)	2027/2022

The discount rate was based on the *Bond-Buyer's 20-Bond Index* as of December 31, 2023.

Mortality rates were based on the Society of Actuaries' RPH-2014 Total Dataset head count-weighted fully generational with the MP-2021 projection scale.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10: Post-employment Benefits Other Than Pensions (Continued)

E. Changes In The Total OPEB Liability:

Balance at December 31, 2022	\$ <u>25,374,830</u>
Changes for the year:	
Service cost	846,879
Interest	955,644
Changes in benefit terms	0
Differences between expected and actual experience	0
Changes in assumptions and other inputs	1,743,531
Benefit payments	<u>(1,074,530)</u>
Net changes	<u>2,471,524</u>
Balance at December 31, 2023	\$ <u><u>27,846,354</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Library, as well as what the Library’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.26%) or 1 percentage point higher (4.26%) than the current discount rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB Liability	\$ 32,264,721	\$ 27,846,354	\$ 24,254,729

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Library, as well as what the Library’s total OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1 percentage point lower (5.00% decreasing to 4.00%) or 1 percentage point higher (7.00% decreasing to 6.00%) than the current healthcare cost trend rate:

	1% Decrease (5.00% Decreasing to 4.00%)	Healthcare Cost Trend Rate (6.00% Decreasing to 5.00%)	1% Increase (7.00% Decreasing to 6.00%)
Pre-65 Trend			
Post-65 Trend			
Total OPEB Liability	\$ <u>23,217,529</u>	\$ 27,846,354	\$ <u>33,946,926</u>

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 10: Post-employment Benefits Other Than Pensions (Continued)

E. Changes In The Total OPEB Liability: (Continued)

Note: For the purpose of calculating this liability, there have been no plan changes. The assumption changes were the updating of the pre-65 healthcare cost trend rates and the mortality improvement scale. The discount rate was 3.72% at December 31, 2022 and was 3.26% at December 31, 2023.

F. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of resources Related to OPEB: For the year ending December 31, 2023, the Library recognized OPEB expense of \$1,574,092. At December 31, 2023, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,338,448	\$ 1,812,750
Changes in assumptions	<u>3,646,955</u>	<u>5,752,882</u>
Total	<u>\$ 5,985,403</u>	<u>\$ 7,565,632</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Amount Recognized</u>
2024	\$ (74,187)
2025	(209,597)
2026	(675,411)
2027	(309,280)
2028	(344,727)
Thereafter	<u>32,973</u>
Total	<u>\$ (1,580,229)</u>

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 11: Deferred Outflows/Inflows of Resources

The components of the deferred outflows and inflows of resources at December 31, 2023 are as follows:

<u>Description of Deferred Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Related to Pension (see note 9)	\$ 3,826,265	\$ 330,214
Tax revenues received in advance	0	212,638
Related to post-employment benefits (see Note 10)	5,985,403	7,565,632
Refunding of serial bonds	<u>259,401</u>	<u>495,530</u>
Total	<u>\$ 10,071,069</u>	<u>\$ 8,604,014</u>

NOTE 12: Bonds Payable

During the 2016 fiscal year, the Smithtown Special Library District issued \$14,865,000 in refunding serial bonds with interest rates ranging from 3.0% to 5.0%, depending on maturity. The proceeds were used to advance refund \$15,825,000 of outstanding 2008 serial bonds bearing interest rates at a rate ranging from 4.0% to 6.0%. The net proceeds of \$17,567,207 (including \$2,957,392 of issuance premium and after \$96,700 in underwriter's fees and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide all future debt service payments on the bonds. As a result, the 2008 serial bonds are considered defeased and the liability for those serial bonds has been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by \$255,185 in the governmental activities. These amounts and the premium are being amortized over the remaining life of the refunded debt. The Smithtown Special Library District advanced refunded the serial bonds to reduce its total debt service payments over 12 years by \$2,401,284 and to obtain a net present value economic gain of \$2,164,150. As of December 31, 2023, \$6,840,000 remained payable. Future payments are due each year as follows:

<u>Year Ended December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2024	\$ 1,230,000	\$ 342,000	\$ 1,572,000
2025	1,295,000	280,500	1,575,500
2026	1,365,000	215,750	1,580,750
2027	1,435,000	147,500	1,582,500
2028	<u>1,515,000</u>	<u>75,750</u>	<u>1,590,750</u>
Total	<u>\$ 6,840,000</u>	<u>\$ 1,061,500</u>	<u>\$ 7,901,500</u>

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 13: Fund Balances Committed for Specific Purposes:

A summary of changes in committed funds for the year ending December 31, 2023 is as follows:

Funds Committed For:	Balance as of 1/1/2023	Funds Committed (Uncommitted)	Funds Expended	Balance as of 12/31/2023
General Fund				
Capital improvements and equipment replacement	\$ 660,162	\$ (112,990)	\$ 0	\$ 547,172
Retirement and future benefit payments	375,000	150,000	0	525,000
Special Revenue Fund				
HVAC project	37,010	(37,010)	0	0
EV charging station	0	550,000	0	550,000
LL renovation & Podcast studio	0	150,000	(2,139)	147,861
BMS project	77,840	50,000	(33,360)	94,480
Total	<u>\$ 1,150,012</u>	<u>\$ 750,000</u>	<u>\$ (35,499)</u>	<u>\$ 1,864,513</u>

NOTE 14: Funds Restricted for Specific Purposes

The components of the fund balance restricted for specific purposes as December 31, 2023 are as follows:

Funds Restricted For:	General Fund	Special Revenue Fund	Debt Service Fund	Total
Long Island Room	\$ 0	\$ 5,000	\$ 0	\$ 5,000
B. Trenk Memorial	0	116	0	116
Debt service	0	0	80,329	80,329
Total	<u>\$ 0</u>	<u>\$ 5,116</u>	<u>\$ 80,329</u>	<u>\$ 85,445</u>

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 15: Restatement of Prior Year Fund Balance and Net Position

During the year, the Library received a independent appraisal of the value of its Long Island Room Collection. The appraisal valued this collection at \$1,258,720. Since the Library had never reflected the value of this collection on its financial statements, it has adjusted its opening balance for capital assets to reflect this value.

The change is as follows:

	<u>Total Net Position</u>
Original net position reported at December 31, 2022	\$ (11,655,543)
Adjustments to be made:	
To capitalize the Long Island Room Collection at December 31, 2022	<u>1,258,720</u>
Restated Net Position at December 31, 2022	<u><u>\$ (10,396,823)</u></u>

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 16: Reconciliation of Fund Financial Statements to Government-Wide Financial Statements

Total fund balance and the net change in fund balance of the Library’s governmental fund differs from net position and changes in net position of the governmental activities reported in the statement of net position and statement of activities. This difference primarily results from the long-term economic focus of the statement of net position and statement of activities versus the current financial resources focus of the governmental fund balance sheet and statement of revenue, expenditures, and change in fund balance.

The following are reconciliations of fund balance to net position and the net change in fund balance to the net change in net position:

Total Fund Balance- Modified Accrual Basis	\$ 10,372,058
Amounts reported in the statement of net position are different because:	
• Capital assets are not financial resources, and are not reported in the funds	19,043,328
• Right to use assets are not financial resources, and are not reported in the funds	48,390
• Deferred outflow on pension is not reported in the funds	3,826,265
• Deferred outflow on refunding of bonds	259,401
• Deferred outflow on OPEB is not reported in the funds	5,985,403
• Compensated absences, not anticipated to be paid within the next twelve months, are not included in the funds	(1,726,739)
• Obligation for post-employment health insurance, to be paid in future periods is not reported in the funds	(27,846,354)
• Liability for future installments due on the NYS retirement incentive are not included in the funds	(50,729)
• Deferred inflow on pension is not reported in the funds.	(330,214)
• Deferred inflow on OPEB is not reported in the funds	(7,565,632)
• Deferred inflow on refunding of bonds is not reported in the funds	(495,530)
• Lease liability due in future periods is not reported in the funds	(48,390)
• Net pension liability is not included in the funds	(5,098,951)
• Bonds payable in future periods are not reported in the funds	<u>(6,840,000)</u>
Total Net Position- Full Accrual Basis	<u>\$(10,467,694)</u>

**SMITHTOWN SPECIAL LIBRARY DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

NOTE 16: Reconciliation of Fund Financial Statements to Government-Wide Financial Statements (Continued)

Net Change in Fund Balance- Modified Accrual Basis	\$ 957,092																
Amounts reported in the statement of activities are different because:																	
<ul style="list-style-type: none"> • Capital outlays are reported as expenditures in the statement of revenue, expenditures, and changes in fund balance; in the statement of activities, these costs are expensed over their estimated useful lives as depreciation: <table style="margin-left: 20px; width: 80%;"> <tr> <td>Capital outlay</td> <td style="text-align: right;">150,139</td> </tr> <tr> <td>Right to use assets</td> <td style="text-align: right;">59,569</td> </tr> <tr> <td>Depreciation expense</td> <td style="text-align: right;">(986,270)</td> </tr> <tr> <td>Amortization expense</td> <td style="text-align: right;">(11,179)</td> </tr> </table> • (Increase)/decrease in the items reported as expenditures in the statements of activities, not in the fund statements: <table style="margin-left: 20px; width: 80%;"> <tr> <td>Compensated absences</td> <td style="text-align: right;">54,248</td> </tr> <tr> <td>Post-employment health costs</td> <td style="text-align: right;">(499,562)</td> </tr> <tr> <td>Net pension expenses</td> <td style="text-align: right;">(1,094,847)</td> </tr> <tr> <td>The amortization of the deferred refunding credit on the old bonds is not an expense in the funds</td> <td style="text-align: right;">98,443</td> </tr> </table> • Payments on the NYS retirement incentive is not an expense in the statement of activities, rather it is a reduction of the liability	Capital outlay	150,139	Right to use assets	59,569	Depreciation expense	(986,270)	Amortization expense	(11,179)	Compensated absences	54,248	Post-employment health costs	(499,562)	Net pension expenses	(1,094,847)	The amortization of the deferred refunding credit on the old bonds is not an expense in the funds	98,443	79,886
Capital outlay	150,139																
Right to use assets	59,569																
Depreciation expense	(986,270)																
Amortization expense	(11,179)																
Compensated absences	54,248																
Post-employment health costs	(499,562)																
Net pension expenses	(1,094,847)																
The amortization of the deferred refunding credit on the old bonds is not an expense in the funds	98,443																
Principal paid on lease liability	11,179																
Principal paid on bond liability	1,170,000																
Change In Net Position- Full Accrual Basis	<u>\$ (70,871)</u>																

**SMITHTOWN SPECIAL LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Operating Revenues:				
District taxes	\$ 15,816,499	\$ 15,816,499	\$ 15,816,499	\$ 0
Payments in lieu of taxes	250,000	250,000	267,840	17,840
State aid and grants	33,602	33,602	33,675	73
Library charges	1,000	1,000	811	(189)
E-commerce fines	5,000	5,000	4,960	(40)
Patron print fees	15,000	15,000	14,520	(480)
Patron computer fees	500	500	373	(127)
Passport processing and other fees	29,500	29,500	29,500	0
Lost and paid	12,500	12,500	13,425	925
Copier commissions	7,500	7,500	7,002	(498)
Interest income	187,800	187,800	464,457	276,657
Gifts and donations	2,000	2,000	22,294	20,294
Refund of prior year expense	13,500	13,500	13,111	(389)
Program and other miscellaneous income	30,000	30,000	26,469	(3,531)
Total Operating Revenues	<u>16,404,401</u>	<u>16,404,401</u>	<u>16,714,936</u>	<u>310,535</u>
Non-Operating Revenue:				
Transfer from unappropriated fund balance	1,029,599	1,029,599	0	(1,029,599)
Total Revenues	<u>\$ 17,434,000</u>	<u>\$ 17,434,000</u>	<u>\$ 16,714,936</u>	<u>\$ (719,064)</u>
Expenditures:				
Salaries and Wages:				
Librarians, full-time	\$ 4,060,000	\$ 4,060,000	\$ 3,966,769	\$ 93,231
Librarians, part-time	510,000	510,000	404,335	105,665
Clerical staff, full-time	1,690,000	1,690,000	1,703,225	(13,225)
Clerical staff, part-time	730,000	730,000	604,769	125,231
Pages	300,000	300,000	267,146	32,854
Custodial staff, full-time	200,000	200,000	143,091	56,909
Custodial staff, part-time	240,000	240,000	231,359	8,641
Messenger/Groundskeeper	60,000	60,000	51,905	8,095
Sunday salaries	115,000	115,000	96,440	18,560
Accrued payroll compensation	150,000	150,000	0	150,000
Total Salaries and Wages	<u>\$ 8,055,000</u>	<u>\$ 8,055,000</u>	<u>\$ 7,469,039</u>	<u>\$ 585,961</u>

The accompanying notes are an integral part of the financial statements.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Balances</u>	<u>Variance Favorable (Unfavorable)</u>
Expenditures: (Continued)				
Employee Benefits:				
State retirement	\$ 1,040,000	\$ 1,040,000	\$ 929,906	\$ 110,094
Social Security	500,000	500,000	542,850	(42,850)
Hospital & medical insurance	2,695,000	2,695,000	2,152,266	542,734
CSEA benefit fund	178,500	178,500	164,111	14,389
Workers' compensation insurance	101,000	81,750	77,396	4,354
Unemployment insurance	5,000	5,000	0	5,000
Employee Assistance Program	5,500	5,500	4,859	641
Total Employee Benefits	<u>4,525,000</u>	<u>4,505,750</u>	<u>3,871,388</u>	<u>634,362</u>
Library Materials and Programs:				
Books	290,000	275,200	247,402	27,798
Online materials and services	675,000	675,000	584,585	90,415
Recordings	95,000	87,200	73,284	13,916
Periodicals	40,000	50,000	47,266	2,734
Serials	57,000	57,000	44,732	12,268
Lost and paid	2,000	2,000	1,745	255
Non-book materials	14,200	14,200	13,738	462
Binding	500	500	0	500
Programs	105,000	127,000	114,920	12,080
Total Library Materials and Programs	<u>1,278,700</u>	<u>1,288,100</u>	<u>1,127,672</u>	<u>160,428</u>
Library Operations:				
Office and library supplies	85,000	51,500	55,338	(3,838)
Telecommunications	129,200	129,200	105,762	23,438
Computer supplies and services	0	115,825	109,751	6,074
Shared network maintenance	78,000	78,000	76,961	1,039
Printing	30,000	30,000	30,315	(315)
SCLS member support	168,000	165,600	160,026	5,574
Postage	16,000	17,200	17,357	(157)
Travel and conference	8,000	8,800	9,325	(525)
Membership dues	4,500	4,500	4,308	192
Staff development	7,725	8,725	8,515	210
Maintenance of equipment/vehicles	5,000	5,000	3,416	1,584
Professional fees/security	525,000	525,000	520,420	4,580
Payroll processing	21,400	21,400	18,928	2,472
Credit card expenses	0	9,250	7,186	2,064
Miscellaneous	100	100	31	69
Total Library Operations	<u>\$ 1,077,925</u>	<u>\$ 1,170,100</u>	<u>\$ 1,127,639</u>	<u>\$ 42,461</u>

The accompanying notes are an integral part of the financial statements.

**SMITHTOWN SPECIAL LIBRARY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Original Budget	Final Budget	Actual Balances	Variance Favorable (Unfavorable)
Expenditures: (Continued)				
Building Operations:				
Fuel and utilities	\$ 250,000	\$ 250,000	\$ 225,140	\$ 24,860
Insurance	105,300	113,800	111,169	2,631
Building and equipment repairs	290,000	290,000	203,381	86,619
Custodial supplies	15,000	15,000	14,798	202
Total Building Operations	660,300	668,800	554,488	114,312
Capital Outlay:				
Computer equipment	110,825	25,000	19,314	5,686
Building equipment	150,000	145,000	46,249	98,751
Other capital outlay	35,000	35,000	34,427	573
Right to use assets	0	0	59,569	(59,569)
Total Capital Outlay	295,825	205,000	159,559	45,441
Debt Service:				
Lease - principal	0	0	11,179	(11,179)
Lease - interest	0	0	1,875	(1,875)
Total Capital Outlay	0	0	13,054	(13,054)
Total Expenditures	15,892,750	15,892,750	14,322,839	1,569,911
Other Financing (Sources) Uses:				
Lease proceeds	0	0	(59,569)	(59,569)
Transfer to Special Revenue fund	0	0	662,990	662,990
Transfer to Debt Service fund	1,541,250	1,541,250	1,541,250	0
Total Other Financing (Sources) Uses	1,541,250	1,541,250	2,144,671	603,421
Total Expenditures and Other Financing Uses	17,434,000	17,434,000	16,467,510	966,490
Excess Of Revenues Over Expenditures and Other Financing Uses	0	0	247,426	247,426
Budgetary fund balance- beginning of year	8,945,047	8,945,047	8,945,047	8,945,047
Budgetary Fund Balance- End Of Year	\$ 8,945,047	\$ 8,945,047	\$ 9,192,473	\$ 9,192,473

The accompanying notes are an integral part of the financial statements.

SMITHTOWN SPECIAL LIBRARY DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
NYSLRS PENSION PLAN
FOR THE 2023 FISCAL YEAR**

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Library's proportion of the net pension liability (asset)	0.02378%	0.02323%	0.02179%	0.02154%	0.02161%	0.02210%	0.02224%	0.02238%	0.02148%
Library's proportionate share of the net pension liability (asset)	\$ 5,098,951	\$ (1,898,927)	\$ 21,696	\$ 5,704,951	\$ 1,531,338	\$ 713,318	\$ 2,089,502	\$ 3,592,063	\$ 725,674
Library's covered-employee payroll	\$ 6,799,346	\$ 6,296,346	\$ 6,029,846	\$ 6,008,788	\$ 5,804,307	\$ 5,639,232	\$ 5,631,188	\$ 5,559,012	\$ 5,809,803
Library's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	74.992%	(30.1599%)	0.360%	94.943%	26.383%	12.649%	37.106%	64.617%	12.491%
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.95%

** The amounts presented for the fiscal year were determined as of the March 31st that occurred within the fiscal year.

The accompanying notes are an integral part of the financial statements.

SMITHTOWN SPECIAL LIBRARY DISTRICT
SCHEDULE OF LIBRARY PENSION CONTRIBUTIONS
NYSLRS PENSION PLAN
FOR THE 2023 FISCAL YEAR

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 919,862	\$ 965,486	\$ 1,034,654	\$ 943,671	\$ 911,626	\$ 906,247	\$ 917,016	\$ 938,458	\$ 1,080,989
Contributions in relation to the contractually required contribution	919,862	965,486	1,034,654	943,671	911,626	906,247	917,016	938,458	1,080,989
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Library's covered-employee payroll	\$ 6,799,346	\$ 6,296,346	\$ 6,029,846	\$ 6,008,788	\$ 5,804,307	\$ 5,639,232	\$ 5,631,188	\$ 5,559,012	\$ 5,809,803
Contributions as a percentage of covered-employee payroll	13.53%	15.33%	17.16%	15.70%	15.71%	16.07%	16.28%	16.88%	18.61%

The accompanying notes are an integral part of the financial statements.

SMITHTOWN SPECIAL LIBRARY DISTRICT
SCHEDULE OF CHANGES IN THE LIBRARY'S TOTAL OPEB
LIABILITY AND RELATED RATIOS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service Cost	\$ 846,879	\$ 1,291,818	\$ 1,113,941	\$ 918,683	\$ 749,247	\$ 864,033
Interest	955,644	663,095	602,922	689,028	984,273	886,224
Changes of benefit terms	0	0	0	0	0	0
Differences between expected and actual experience	0	3,176,602	0	(4,245,970)	0	0
Changes in assumptions or other inputs	1,743,531	(7,542,695)	263,025	1,638,215	5,327,527	(2,327,865)
Benefit payments	<u>(1,074,530)</u>	<u>(1,031,333)</u>	<u>(971,471)</u>	<u>(967,365)</u>	<u>(1,073,469)</u>	<u>(1,054,923)</u>
Net Change in total OPEB liability	2,471,524	(3,442,513)	1,008,417	(1,967,409)	5,987,578	(1,632,531)
Total OPEB liability- beginning	<u>25,374,830</u>	<u>28,817,343</u>	<u>27,808,926</u>	<u>29,776,335</u>	<u>23,788,757</u>	<u>25,421,288</u>
Total OPEB liability- ending	<u>\$ 27,846,354</u>	<u>\$ 25,374,830</u>	<u>\$ 28,817,343</u>	<u>\$ 27,808,926</u>	<u>\$ 29,776,335</u>	<u>\$ 23,788,757</u>
Covered-employee payroll	\$ 5,743,961	\$ 5,603,864	\$ 4,933,331	\$ 4,813,006	\$ 4,815,457	\$ 4,698,007
Total OPEB liability as a % of covered-employee payroll	484.79%	452.81%	584.14%	577.79%	618.35%	506.36%
Notes to schedule:						
Assumption changes:						
Discount rate	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%
Mortality Improvement Scale	MP-2021	MP-2021	MP-2019	MP-2019	MP-2016	MP-2016
Pre-65 Trend Rate	6.5% down to 5.0%	7.0% down to 5.0%	7.0% down to 4.5%	7.5% down to 4.5%	8.0% down to 5.0%	8.5% down to 5.0%
Plan changes:	None	None	None	None	None	None

The accompanying notes are an integral part of the financial statements.